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FM AMEMBASSY TUNIS  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6576  
INFO RUEHZN/EUROPEAN POLITICAL COLLECTIVE  
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C O N F I D E N T I A L TUNIS 000498

SIPDIS

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TAGS: PREL ASCH PGOV TS US  
SUBJECT: AMBASSADOR'S FAREWELL CALL ON THE FOREIGN MINISTER

REF: A. TUNIS 473  
1B. TUNIS 469  
1C. TUNIS 461  
1D. TUNIS 455  
1E. WHITE HOUSE 080726Z JULY 09  
1F. TUNIS 447

Classified By: Ambassador Robert F. Godec, reason 1.4 (b) and (d)

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Summary  
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11. (C) During a July 17 farewell call on Foreign Minister Abdelwaheb Abdallah, the Ambassador

--reviewed accomplishments between the two countries in recent years;

--discussed President Obama's letter of the previous week to President Ben Ali about Middle East peace and encouraged a positive response (refs D and E);

--pointed out USG concerns with the lack of information sharing from the GOT about the reported plot against US military personnel that recently appeared in the press (refs B and F); and

--discussed at length our growing anger about the Ministry of Finance's action to reimpose a 9.1 million dinar tax bill on the American Cooperative School in Tunis (ACST) and the GOT lack of response to multiple attempts to conclude a comprehensive bilateral accord to resolve the issue (refs A and C).

12. (C) In reply, the Minister

--spoke favorably of the evolution in relations between the two countries, specifically citing the creation of the Tunisia caucus in the US Congress and increased military assistance;

--said that the GOT was studying President Obama's letter and would reply as quickly as possible. He praised the US commitment to advance Middle East peace;

--took note of the Ambassador's comments on information sharing but provided no substantive comment; and

--initially called the USG position on ACST illogical saying that we should not link actions by separate ministries. He then took a more conciliatory approach stating that he would try to exercise influence on the Ministries of Finance and Public Land. End Summary

13. (C) The Ambassador paid his farewell call on Foreign

Minister Abdelwaheb Abdallah July 17. After opening pleasantries, the Ambassador reviewed bilateral accomplishments between the United States and Tunisia over the last few years, including various high-level visits (e.g. by members of Congress), the increase in trade and investment between the two countries and our security assistance. The Foreign Minister responded that he was particularly pleased with the creation of a Tunisia caucus on Capitol Hill, and noted the help that the caucus had provided in aid to Tunisia. He also welcomed the increase in military aid. Abdallah praised the quality of his dialogue with the Ambassador.

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President Obama's Letter to Ben Ali  
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¶4. (C) The Ambassador raised the letter of the previous week from President Obama to President Ben Ali. The Ambassador said that the United States would welcome any reaction to the requests contained in the letter or other thoughts from the GOT on how to move the peace process forward. Abdallah acknowledged the letter and said that the Tunisians are studying the proposals contained in it and would reply as soon as possible. In that context, the Ambassador thanked the Foreign Minister for the kind words about the US' role in the Middle East Peace Process that the Minister delivered at the Non-Aligned Movement Summit. The Minister replied that Tunisia appreciates very much the efforts of President Obama and his Administration to advance peace and that President Ben Ali wants to salute and underline those efforts in his speeches. While the GOT acknowledges that peace will not be easy, there is the clear sense that the United States has the will to make advances and that all parts of the US Government are speaking with the same voice. Abdallah added that he said so to the Swedish (EU President) representative at the NAM Summit. Almost everyone is speaking with the same voice and ideas on how to bring about peace, and that now is the time to seize the moment. Abdallah added that there may not be success but the attempt must be made.

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Need for Better Information Sharing  
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¶5. (C) The Ambassador raised press reports about a plot by nine people, including two Tunisian air force officers, to attack US military personnel. The Ambassador noted that he had received assurances that there was no current danger from the Minister of Defense (ref. B), but that the United States should not have learned of the potential threat from the press. Washington was concerned. This incident is an example of the need for better communication and information sharing and that we should know in advance of such matters. Abdallah replied that he had only seen the press reports and that he had no additional information on the matter.

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American Cooperative School of Tunis  
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¶6. (C) The Ambassador told the Minister that it should be possible to find a good faith solution, but unfortunately there are still problems. Washington is focused on the matter and is discussing the future of military aid and other cooperation as a result. Ambassador Mansour can be expected to be convoked soon by a senior Department official. Although we have an accord in principle on the tax questions, earlier that week at the behest of the Ministry of Finance, a court reimposed the 9.1 million dinar tax finding against the school raising again the possibility of the school's bankruptcy. The Minister replied that he had heard that the tribunal had rendered a decision on July 14 and then express wonder as to why the matter was before the tribunal at all. The Ambassador reviewed the attempt by the Ministry of Finance the previous week to force the school to sign a document with no opportunity to review it, refusing to provide a copy, and demanding a payment of some one million

dinars in 24 hours. The Ambassador noted that the school has no one from its board in Tunisia currently and the money could not be made available that quickly.

¶7. (C) The Minister replied that from his point of view there are two issues: one is the taxes and the second is the property rent. He said that the issues did not fall under the same authority and he questioned why the United States was linking the two subjects. He stated, and repeated more than once, that it would be as if he refused to pay his rent to his landlord because he had tax problems; the landlord would say that was ridiculous. He also said that we were asking the tax authorities "to provide a house" as a precondition for paying taxes due.

¶8. (C) The Ambassador pointed out that the financial viability of the school is at stake. In addition, all the issues stem from the actions of the one Government of Tunisia. The Minister still said from his point of view there were two separate issues at stake that were not the same. Since the tax issue is resolved, he said he would try to use his influence with the Ministry of Public Land.

¶9. (C) The Ambassador urged that the MFA review the draft we delivered July 10 since it could solve the problem. Multiple documents could be signed in the end, but they had to represent a concurrent global solution not unlike the accords with the Italians and the French. He noted that the school has had an exchange of letters with the Ministry of Public Land that may help resolve the land lease issue. Another possibility is that the Ministry of Finance be told to be patient on insisting on collecting taxes until the rest of the issues are resolved.

¶10. (C) The FM asserted that the Tunisians do have patience, adding that he would have responded in more detail but did not know the topic would arise since he had just returned from the NAM summit. He said he thought the tax issues had been resolved. The Ambassador replied that the current situation is not necessary. The Prime Minister had called it a "grain of sand", but it was becoming very serious. The Minister replied that the work of diplomats is to solve problems and that he would attempt to exert influence with the two other ministries. He described them as not easy to deal with and very technical. He closed with a discourse on the need to simplify Tunisian bureaucracy.

¶11. (C) Separately, the Minister's senior aide (Charge de Mission) Ben Rehouma was told that the court decision opened the possibility of seizures by the Ministry of Finance, and that any such seizures would effectively close the school, especially since the school's American bank might then freeze the school's cash assets. The aide expressed his "personal opinion" that there would be no such seizure but took the message on board.

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Good Relations with Asia  
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¶12. (C) Abdallah told the Ambassador that he had traveled recently to Japan, the ROK and China. He said that in Tokyo he was received by the Prime Minister, with whom he had contact when the latter had been Foreign Minister. Abdallah described the conversations as very warm and spoke positively about an upcoming Japanese investment in Gafsa to build car parts that he said would create 3000 jobs. (Note: The Japanese DCM told us that in his meeting with the Japanese Foreign Minister, Abdallah was told of Japanese unhappiness about the treatment of their companies. Abdallah did make private comments the Japanese appreciated about North Korea, although they have previously sought a public position from the Tunisians.) Abdallah added that the Republic of Korea is also making a business investment in Kairouan. Abdallah said that relations with China goes well and commented that he was amazed with the pace of change he saw there in just the two years since his previous visit.

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Political Freedom  
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¶13. (C) The Ambassador also noted that he hoped to see progress in Tunisia on freedom of expression and association. The Foreign Minister did not reply specifically to the point.

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Comment  
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¶14. (C) Middle East Peace: As has been the case in previous encounters since the advent of the Obama Administration, Abdallah's comments on the peace process were generally positive. When he asserted that there is a broad consensus about the future of the Middle East, he noticeably left out Israel from his list of like-minded countries with a goal for peace, consistent with the doubts he has expressed in other meetings about the current Israeli Government's intentions.

¶15. (C) ACST: While Abdallah closed the school conversation on a conciliatory note, stating that he would intervene with the two other ministries, whether that will have any effect is unclear. We found it interesting that while claiming not to be briefed on the topic, he knew the date of the court action without the Ambassador having mentioned it and our not having raised it with the MFA before the two met. By septel, we report on the Ambassador's discussions on ACST with Mutamed Sakr el Materi.

¶16. (C) Overall, the tone of the meeting was friendly, but with direct and frank discussion of ACST and information sharing on security. The Foreign Minister was clearly tired, no doubt from his extensive recent travels.

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